Review of Obstetric Services under the Maryland Certificate of Need Program

Working Paper for Discussion by the Certificate of Need Task Force

July 14, 2005

Statement of the Issue

Should the establishment of a new inpatient acute obstetric service continue to require CON approval?

Summary of Public Comments

The Task Force received specific comments from four organizations regarding regulation of the establishment of new hospital obstetric services under the CON program. Those comments are summarized below:

Comments from the **American Academy of Pediatrics** stated support for the existing certificate of need process, especially as it relates to the designation of beds for obstetrics. Regulations that have been developed for the OB CON process are perceived to have value in the state of Maryland and need to be followed and observed as written. According to the Academy, their concern is the quality of services and pediatric support services needed for any obstetrical unit. With present excess capacity, any development of new beds is clearly going to increase cost of delivering obstetrical services in Maryland. Diluting the number of deliveries over an increased number of institutions may have an effect on the quality of care delivered to patients.

Southern Maryland Hospital Center believes that the "core" of facility based health care services should continue to be subject to CON review, including new medical services (medical-surgical, obstetrical, pediatrics, and psychiatric).

Comments submitted on behalf of **CareFirst** recommended removing such inpatient services as obstetrics from the list of regulated services. Unlike ER services and other service areas (e.g., ambulatory surgery), where additional capacity may lead to additional utilization, there is no reason to believe that additional inpatient OB bed capacity will result in additional use. CareFirst notes that of the 37 states that have a CON program, only 17 require a CON for obstetric services. An alternative to removing obstetrics from the list, while maintaining an interest in the quality and efficiency of obstetric services, might be to only require a CON for obstetrics at hospitals with less than 100 licensed acute beds or an average daily census of less than 70.

The **University of Maryland Medical System** (UMMS) stated that obstetric services should not be subject to CON regulations of the SHP. Obstetrics is a basic health care service that should be provided by any community hospital that can offer a service that meets the quality standards established by recognized authorities, including the State Perinatal Guidelines. According to UMMS, there is undeniable value in the regulatory

process for many circumstances related to health care in Maryland. However, with regard to obstetrics, the basic logic of the applicability of the current CON regulations is questionable. Among the points made the UMMS are the following:

> "Hospitals can open free-standing birth centers without CON approval. They deliver babies in their emergency rooms and operating rooms in emergencies. They turn patients away who require this care, many of whom have not had adequate prenatal care. Finally, UMMS notes that there are many subspecialty services that can be initiated without CON approval for the program as part of general medical-surgical services—oncology, neurosurgery, etc. Obstetrics is as basic a service as general emergency care. A community hospital established to meet community needs should, at a minimum, be able to provide for such a basic service..…. The addition of OB capacity will not, in and of itself, drive an increase in the number of births. There is no danger of unnecessary utilization of obstetric services. No one has a baby because there is more capacity in the system to do so…..For individuals with limited access to care, the local hospital serves as a primary health care resource. Women who present at hospital emergency rooms in labor or with obstetrical-related problems generally do not have adequate prenatal care. Additional OB resources would add such access. The MHCC has established a standard for access to an OB program of less than a 30 minute drive. While a 30 minute drive time may seem reasonable to many individuals, it is completely unreasonable for individuals who rely on public transportation which is limited in many areas of the State……In Fiscal Year 2004, 172 women in active labor were brought to North Arundel Hospital by ambulance. EMS providers know that the hospital does not have OB services; however, these patients were unstable enough to require transport to the closest hospital….This utilization of critical EMS resources is unnecessary and a diversion from other community needs. A comprehensive community hospital should be able to provide the highest levels of quality and safety for any patient seeking care there. Deliveries and c-sections in emergency rooms and ORs which do not typically deliver this care and whose staff are not accustomed to providing this care do not meet this standard. There have been concerns expressed that eliminating OB from the CON review process would also eliminate the oversight that the MHCC has for ensuring the quality of the care provided by a new program. However, there are ample mechanisms for such assurance. The Maryland Perinatal System Standards must still be met by any provider of OB services—new or existing."

Background

•Overview of Obstetric Services

As of July 2005, there are 47 acute general hospitals in Maryland; 33 of these hospitals have obstetric units. Table 1 identifies hospitals providing obstetric services by jurisdiction and region, the number of licensed beds at each, the system membership and whether the hospital has a neonatal intensive care unit (NICU). Of the 10,231 licensed acute care beds in fiscal year 2005, 851 or 8.3 percent were dedicated to the obstetric service.

The 14 hospitals that currently do not operate an obstetric service are listed in Table 2. These hospitals are located throughout the state and include three in single-hospital jurisdictions on the lower Eastern Shore (Dorchester, Somerset and Worcester Counties), four facilities in Baltimore City, one in Western Maryland (Allegany County), and six facilities in suburban counties immediately surrounding Baltimore and Washington. Eight of the 14 hospitals that do not presently offer obstetric services are members of multi-hospital systems with obstetric services available at one or more other member institutions.

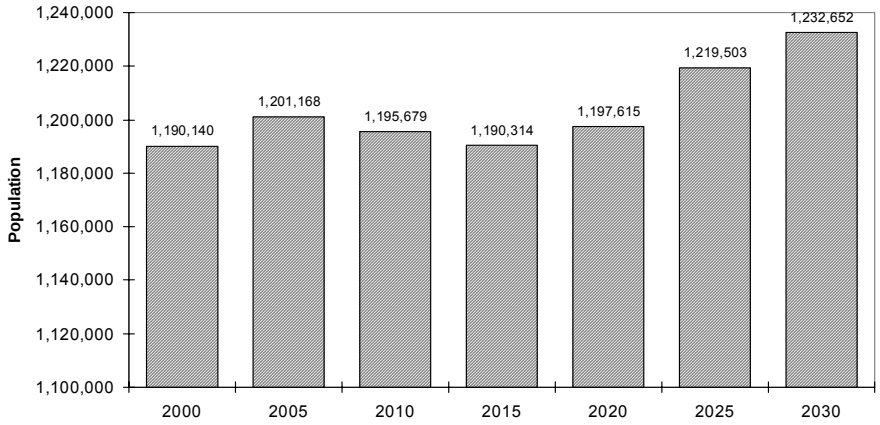
The availability of obstetric services has changed over the past several years. Laurel Regional Hospital, located in Prince George's County, opened a unit in the 1980s. McCready Hospital closed its obstetric service in the early 1980s. Prior to 1980, Suburban Hospital closed its obstetric service. More recently, Dorchester General, Sacred Heart, and Union Memorial hospitals each closed an obstetric service.

Data on trends in the female population of child-bearing age indicate that this population group has been declining through the 1990s and is projected to continue to decline over the next 10 years, as shown in Figure 1. Between 2020 and 2030, this population group is expected to begin increasing again, for a total increase of 3.6 percent over 2000. By comparison, Maryland's total population is projected to increase by 21.6 percent from 2000 to 2030. As shown in Figure 2, the number of births to Maryland residents declined through most of the 1990's and is projected to remain relatively stable through this decade, rise gradually through 2020 and then decline again through 2030.

Birthing centers provide prenatal, delivery and postpartum services to women with low-risk pregnancies in a home-like setting. Birthing centers may be staffed by obstetricians and/or certified nurse-midwives. They may be located in hospitals or they may be freestanding (possibly associated with a hospital), in which case they are licensed as freestanding birthing centers by the Office of Health Care Quality under COMAR 10.05.02. There are five licensed birthing centers in Maryland, according to the most recent DHMH inventory. These birthing centers are located in Baltimore City, Anne Arundel County (two), Montgomery County and Calvert County.[1]

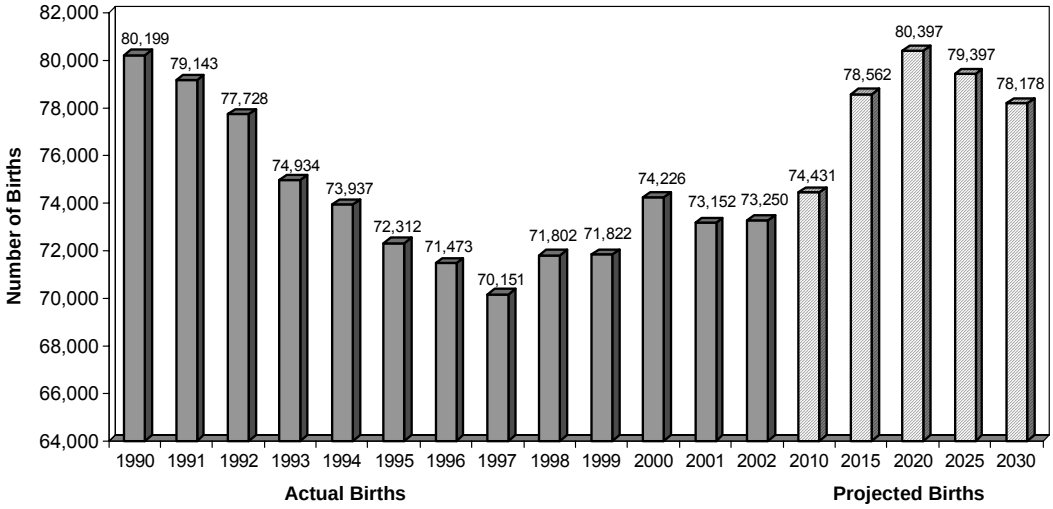
[1] Office of Health Care Quality, Freestanding Ambulatory Care Facilities-Freestanding Birthing Centers, as of July 5, 2005.

Figure 1. Trend in Population Estimates of Women of Child Bearing Age (15-44 Years): Maryland, 2000 – 2030



Source: Maryland Department of Planning; 2004 Total Population Projections (2/04)

Figure 2. Trend in Actual and Projected Resident Births: Maryland, 1990 - 2030



Source: Maryland Department of Planning

•Certificate of Need Coverage of Obstetric Services

Under Health-General Article §19-120, obstetric services are defined as one of the categories of health services regulated under the Maryland CON program. Other acute hospital services covered under existing Maryland statute includes: medicine, surgery, gynecology, addictions; pediatrics; and psychiatry. Data collected by the American Health Planning Association on state CON programs indicates that 17 of the 37 programs nationwide regulate obstetric services.[2] Three (Washington, D.C., Virginia, and West Virginia) of the five states adjacent to Maryland include the review of obstetric services under their CON programs.

•State Health Plan

The State Health Plan guides the review of a proposed new obstetric service to determine when a program should be approved, and also guides the characteristics of a new program to assure quality, access, and cost effectiveness. Under the current chapter of the SHP, which was updated in February 2005, an applicant for a new obstetric service is required to demonstrate that the benefits to the community of a new program outweigh the detrimental impacts on existing providers and, therefore, their patients and the loss of efficiency to the health care system. The plan also provides standards to guide the review of projects involving changes to existing obstetric service programs. Table 3 summarizes the review standards included in COMAR 10.24.12 and their applicability to new and existing obstetric services.

[2] American Health Planning Association, *National Directory of Health Planning, Policy and Regulatory Agencies*, April 2003, p. 79.

Summary of Positions in Support of Alternative Regulatory Strategies

	Deregulate from CON Review	Maintain Existing CON Review
Need	●The addition of OB capacity will not, in and of itself, drive an increase in the number of births. There is no danger of unnecessary utilization of OB services. ●OB is as basic a service as general emergency care. A community hospital established to meet community needs should, at a minimum, be able to provide for such a basic service. ●Free-standing birthing centers are not subject to CON review. ●The addition of OB programs will expand choice of providers.	●Statewide, the number of births to Maryland residents is projected to remain stable through this decade, rise gradually through 2020, and then decline. ●With relatively stable births projected over the next five years and only small increases over the next decade, any new provider will reduce volumes at existing programs. The CON program provides a public process for evaluating the differences between community needs and negative impacts on the health care system.
Access	●Removal of the requirement for CON review would potentially increase access to OB services by eliminating a barrier to the development of new programs.[3] ●SHP standard for geographic access (30-minute one-way driving time for 90% of the population) does not consider individuals who rely on public transportation. ●For individuals with limited access to care, the local hospital serves as a primary health care resource. Women who present at hospital emergency rooms in labor or with obstetrical related problems generally do not have adequate prenatal care. Additional OB resources would add such access. ●EMS diverts OB patients to other hospitals who would ordinarily come to the closest hospital. If there is no opportunity to transfer the woman to an OB facility, the delivery is done in the hospital ED or operating room. If the woman can be transferred, the hospital must stabilize the patient and then have her transferred by ambulance to another provider.	●OB Chapter of the SHP permits any hospital to submit an application to establish OB services; 33 of 47 hospitals have OB programs; of the 14 hospitals without OB programs only one has applied for CON approval to establish a new program ●Analysis of travel time data shows that 98.5% of women between 15-44 yrs. are within 30 minutes of an acute inpatient obstetric service. Even if all 47 acute care hospitals offered OB, there would only be a marginal improvement in geographic access – from 98.5 to 99.5% of the child-bearing population would be within 30 minutes of an OB service. ●Of the four basic clinical services offered by acute care hospitals, only general medical-surgical services are available at all 47 hospitals. Like OB services, pediatrics and psychiatry are not offered by every hospital. Of the 47 hospitals, 33 offer pediatric services and 30 offer psychiatry services.

[3] Comments from CareFirst suggested consideration of removing the requirement for CON approval for a new OB service in an existing hospital with more than 100 licensed beds or an average daily census of 70. Under this alternative, six of the eight hospitals currently without OB would be required to obtain CON approval to add an OB service: Atlantic General Hospital (Worcester County); Dorchester General Hospital (Dorchester County); Harford Memorial Hospital (Harford County); Ft. Washington Community Hospital (Prince George's County); Kernan Hospital (Baltimore City); and McCready Memorial Hospital (Somerset County). This alternative would also presumably exempt a new hospital with more than 100 licensed beds from the requirement to obtain CON approval for an OB service.

	Deregulate from CON Review	Maintain Existing CON Review
Cost	●The addition of OB programs would stimulate competition and could promote cost efficiencies. ●HSCRC effectively controls charges associated with any new OB providers. ●For women who walk into the hospital's ED in labor or with OB complications, the hospital must transfer her by ambulance to another provider. This utilization of critical EMS resources is unnecessary and a diversion from other community needs.	●Provides a tool for ensuring that new programs can achieve recommended minimum volume levels for cost effectiveness. ●Duplicating programs that require professional staff in short supply on a 24/7 basis will add unnecessary costs to the system. ●Loss of volumes at existing programs will potentially lower revenues without reducing associated expenses.
Quality	●OB is a basic health care service that should be provided by any community hospital that can offer a service that meets the quality standards established by recognized authorities, including the Maryland Perinatal System Standards.	●SHP provides a mechanism for ensuring compliance with the Maryland Perinatal System Standards for new providers and hospitals seeking to expand or renovate OB services.

Appendix

Table 1. Obstetric Services Inventory and System Affiliation: Maryland, Fiscal Year 2005

Jurisdiction/ Local Health Planning Area	Hospital	Number of Beds	System Affiliation	NICU (Level III or above)
Allegany	Memorial of Cumberland Hosp	9	Western Md Hlth System	
Carroll	Carroll Co. General Hospital	20		
Frederick	Frederick Memorial Hospital	23		
Garrett	Garrett Co. Memorial Hospital	4		
Washington	Washington County Hospital	15		
WESTERN MARYLAND TOTAL		**71**		
Montgomery	Holy Cross Hospital	85		yes
	Montgomery General Hospital	16		
	Shady Grove Adventist Hospital	59	Adventist Hlth Care	yes
	Washington Adventist Hospital	25	Adventist Hlth Care	
MONTGOMERY COUNTY TOTAL		**185**		
Calvert	Calvert Memorial Hospital	10		
Charles	Civista Medical Center	15		
Prince George's	Laurel Regional Hospital	13	Dimensions Hlth System	
	Prince George's Hospital Cntr	40	Dimensions Hlth System	yes
	Southern Maryland Hosp Cntr	30		
St. Mary's	St. Mary's Hospital	12		
SOUTHERN MARYLAND TOTAL		**120**		
Anne Arundel	Anne Arundel Medical Center	50		yes
Baltimore County	Franklin Square Hospital	37	MedStar Health	yes
	Greater Baltimore Medical Cntr	60		yes
	St. Joseph Hospital	28		yes
Baltimore City	Harbor Hospital	25	MedStar Health	yes
	Johns Hopkins Bayview M. C.	14	Johns Hopkins Hlth System	yes
	Johns Hopkins Hospital	35	Johns Hopkins Hlth System	yes
	Maryland General Hospital	21	Univ of Md Med System	
	Mercy Medical Center	26		yes
	Sinai Hospital of Baltimore	23	LifeBridge Health	yes
	St. Agnes Hospital	29		yes
	University of Maryland	34	Univ of Md Med System	yes
Harford	Upper Chesapeake Med. Ctr.	9	Upper Chesapeake Hlth Sys	
Howard	Howard Co. General Hospital	32	Johns Hopkins Hlth System	yes
CENTRAL MARYLAND TOTAL		**423**		
Cecil	Union Hospital of Cecil	6		
Kent	Chester River Hospital Ctr.	4		
Talbot	Memorial Hospital at Easton	18	Shore Health System	
Wicomico	Peninsula Regional Med Cntr	24		
EASTERN SHORE TOTAL		**52**		
MARYLAND TOTAL*		**851**		

Source: Maryland Health Care Commission

Table 2
Acute Care Hospitals without Obstetric Services: Maryland, July 2005

Hospital Name	Total Licensed Beds (FY 05)	Jurisdiction	System Affiliation
Atlantic General Hospital	44	Worcester County	
Bon Secours Hospital	148	Baltimore City	
Doctors Community Hospital	194	Prince George's County	
Dorchester General Hospital	60	Dorchester County	Shore Health System
Harford Memorial Hospital	85	Harford County	Upper Chesapeake Hlth Sys.
Fort Washington Community Hosp	43	Prince George's County	
Good Samaritan Hospital	252	Baltimore City	MedStar
Kernan Hospital	11	Baltimore City	University of Maryland
McCready Memorial Hospital	9	Somerset County	
Baltimore Washington Med. Ctr *	272	Anne Arundel County	University of Maryland
Northwest Hospital Center	204	Baltimore County	LifeBridge Health
Sacred Heart Hospital	147	Allegany County	Western Maryland Hlth Sys.
Suburban Hospital	231	Montgomery County	
Union Memorial Hospital	283	Baltimore City	MedStar

Source: Maryland Health Care Commission
*Formerly North Arundel Hospital

Table 3. Summary of Review Standards in COMAR 10.24.12

Review Standard	Applicability		
	All Applicants	Applicants for New OB Service	Applicants with Existing OB Service
Need (Number of Beds/Cost Effectiveness)	√		
Maryland Perinatal System Standards	√		
Charity Care Policy	√		
Medicaid Access	√		
Staffing	√		
Physical Plant Design/New Technology	√		
Nursery		√	
Community Benefit Plan		√	
Source of Patients		√	
Programs in Non-Metro Areas		√	
Designated Bed Capacity		√	
Minimum Volume		√	
Impact on Health Care System		√	
Financial Feasibility		√	
Outreach Program			√

Source: State Health Plan for Facilities and Services: Acute Hospital Inpatient Obstetric Services, Supplement 1, Effective February 28, 2005.